

Testimony before the
Subcommittee on Housing and Community Opportunity
July 29, 2008 – Martinsburg, West Virginia

The Honorable George Karos, Mayor
The City of Martinsburg, West Virginia

Madam Chairwoman and Congresswoman Capito:

Thank you for the opportunity to address the Subcommittee today regarding affordable housing challenges facing the City of Martinsburg.

We face several considerable challenges here in the City and throughout the Eastern Panhandle.

- Housing costs have risen dramatically. Even in a declining market, costs remain too high for many families earning local wages. This is true for homebuyers and renters.
- Homebuyers need assistance with downpayment and closing costs to enable them to obtain affordable mortgages.
- Many of our homeowners are elderly people living on fixed incomes that do not keep up with the increased cost of living.
- Heating costs are a tremendous burden for many and housing maintenance is deferred because of other demands on their small incomes.
- Our low income homeowners need assistance to repair their homes and to make them more energy efficient.
- Rental housing costs are very high resulting in 40% of renters paying more than 30 percent of their income for rent. Nearly 25% pay more than half of their monthly income for housing.

This housing cost burden places families at risk of eviction, of unstable housing situations, and homelessness.

As heating costs nearly double this winter, even more families will face eviction or the threat of having utilities turned off.

Eviction prevention is critical to preventing homelessness in our community.

- Homelessness among veterans in Martinsburg creates great demands on the local men's shelter and on our limited mental health and substance abuse services.

We have made a number of efforts with our limited local and federal resources to address these affordable housing problems in our City and the Eastern Panhandle.

- First, we appreciate that for the past four years we have received Community Development Block Grant funds from HUD.
- Beginning last year, we implemented a HOME Consortium for the City of Martinsburg and the three Eastern Panhandle Counties - Berkeley, Jefferson and Morgan.
- Using these funds, plus funding from local governments, we have tried to address affordable housing problems by :
 - providing no-interest loans for downpayment and closing costs for low income homebuyers with HOME and CDBG funds
 - using HOME funds to support affordable housing development in Jefferson County
 - providing security deposit assistance to low income renters in Morgan County
 - providing small grants for housing repairs matched with West Virginia Housing Fund loans
 - supplementing emergency rental assistance to prevent eviction

These efforts are not enough by themselves. Local governments and our citizens need more help to make housing affordable for homeowners and renters.

We are starting to work together as a region to address affordable housing needs and the housing needs of our working families. But we have a long way to go to make sure every household has decent affordable housing. We need your help as housing costs remain high and energy and food costs increase faster than wages.

The Federal government can help in the following ways:

- Our federal funding for CDBG and HOME has decreased every year. We now receive 25% less CDBG funding than we did four years ago. The federal government should not make it harder to help ourselves. There is a year long waiting list for weatherization services in Berkeley County.

- We need more Section 8 rental assistance in the Eastern Panhandle. We have less than 300 housing vouchers for 12,500 low income households. Families are on long waiting lists for rental assistance or the list is closed for months at a time.
- More fuel assistance is needed so families can remain in their homes.
- When our veterans leave the local VA center, they need more comprehensive support services and better housing opportunities.

Again, thank you for the opportunity to address the Subcommittee. I appreciate your interest in understanding our affordable housing needs and challenges.